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JULY 4, 1966

A CENTURY OF AGRICULTURAL STATISTICS

REVIEW OF THE ASIAN RICE SITUATION

FINLAND'S DAIRY INDUSTRY

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JULY 4, 1966

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The best of Finland's dairy cattle are exhibited at farm shows each summer. Article beginning on page 7 traces the dairy industry from its modest start to one vital to the entire farm economy.

Contents

3 A Century of Agricultural Statistics

4 The Story of Crop Reporting—From Wagon Wheels to Data Reels

5 USDA Marketing Specialist Reviews Asian Rice Situation

7 Finland's Dairy Farming Keyed to Systematic Breeding

9 USSR To Purchase More Canadian Wheat

9 Shift Expected in Argentina's Exports

10 Prices of Vegetable Oils in India Reach Alltime High

11 Deadline Near for Food Show Applications

12 Market Promotion Helping To Boost Australian Export Sales of Cheese, Butter, Other Products

12 West German Trade Team Tours U.S. Wheat Areas

13-15 World Crops and Markets (Commodity index on page 15)

16 Highlights of the Agriculture and Trade of Greece

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Crop reporting is done voluntarily. Today, just as in 1909 when this picture was made, American farmers take time out to collect statistics on crops and livestock, which later are analyzed and distributed by the U.S. Department of Agriculture.

A Century of Agricultural Statistics

The first U.S. crop report was a friendly gesture by an American President to a citizen of a country formerly our enemy.

The President was George Washington. The citizen was Arthur Young of England, who asked Washington to supply statistics on average yields and prices of crops and livestock, prices and rents of land, and prices paid by farmers.

To obtain the information, Washington addressed a circular letter, or questionnaire, to several gentlemen, "the best informed of the agriculture" in New York, New Jersey, Pennsylvania, Maryland, and Virginia. His report to Young consisted of several hundred words and four statistical tables.

First President foresees need

Washington's report reflected his intense, lifelong interest in agriculture. In his final message to Congress, he urged government support for agriculture that would include "collecting and diffusing information."

Numerous attempts by the States, the Federal Government, and private individuals and organizations were made over the next seven decades to set up an effective system of making crop and livestock estimates. But none was successful until the establishment of the U.S. Department of Agriculture in 1862.

Starting with 1866—100 years ago—we have continuous data by States, on the acreage, yield, production and prices of the major crops, and on numbers and value of livestock.

Early efforts to obtain foreign data

From the beginning, efforts were made to collect statistics on foreign agriculture as well as domestic. The first annual report of the commissioner of agriculture in 1863, announced that the new Statistics Division would collect data that "exhibit the commerce, *both foreign and domestic*, in leading agricultural products."

In 1873, Jacob Dodge, chief statistician, spent several months abroad studying European methods and arranging for the exchange of information with foreign countries. Dodge's position on the need for international data has a markedly contemporary ring:

"In these days of international commingling, by commerce, immigration, and travel, demand for statistics more comprehensive than national statements have arisen, and international comparisons have therefore become an urgent necessity of progress in government, industry, and the arts."

An office was set up in London in 1882 to provide "accurate reports of crop prospects" and other information of value to agriculture. An act of Congress in 1888 required U.S. Consular Officers to make monthly reports on crop conditions.

Today's system—domestic and foreign

Since those early days, the collection of statistics has developed apace with the demands of the times. Crop and livestock estimates for United States agriculture are now the province of the Statistical Reporting Service and its network of 43 field offices that are financed cooperatively with the States. Raw data come from questionnaires mailed to hundreds of thousands of voluntary crop reporters, supplemented by enumerative surveys and objective field measurements. Modern electronic computers are used in processing the vast amount of data thus obtained. Production information on every aspect of agriculture is released in hundreds of reports each year.

Collecting statistics on foreign agriculture is now the responsibility of the Foreign Agricultural Service. A global network based on 94 agricultural attachés and officers, stationed at 60 key posts and covering more than 100 countries, provides current information on all principal commodities moving in world trade.

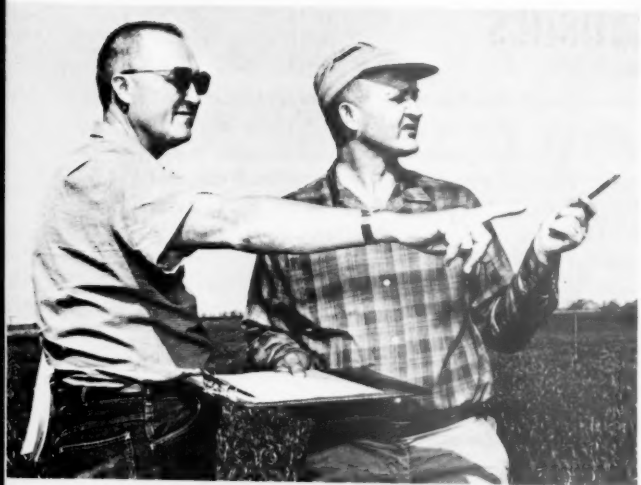
The second century

As U.S. crop reporting enters its second century, it is bound to become more international in scope. Selling this country's abundance in world markets and helping friendly nations under such government programs as Food for Peace requires accurate agricultural reporting. Also, diet deficits in food-scarce regions can hardly be defined, much less remedied, without knowing how much each country produces, how much it needs, and how its economy functions.

The Story of Crop Reporting—From Wagon Wheels to Data Reels

A century ago when crop reporting was first set up on a national basis, farmers used horse and wagon to post their reports to Washington. Today data come in by fast communication means and are processed and analyzed on electronic computing machines.

Above, in the early days of crop reporting even "sod busters" did yeoman work. Below, in 1922, questionnaires for the first pig survey were distributed by mail carriers.



Trained enumerators began to personally interview farmers in 1954; this is now done coast-to-coast.

Another milestone was the opening this year of Statistical Reporting Service's new data processing center in Washington, where computers tabulate and analyze farm reports.

Collecting foreign farm statistics is the job of U.S. agricultural attachés. Here Elmer Hallowell, center, checks experimental grass crop in Japan.

USDA Marketing Specialist Reviews Asian Rice Situation

Dwindling supplies in most exporting countries, ambitious production goals in several importing nations, increased selling by Mainland China: These are a few features of the complex rice picture in Asia today as reported by Robert A. Bieber, *recently returned from an on-the-spot look at the situation.*

My trip took me to nine of the important rice-producing nations of Asia—Japan, South Korea, the Philippine Republic, Thailand, Malaysia, Singapore, Ceylon, India, and Pakistan. There, I talked with U.S. Embassy personnel, trade representatives, and government officials on current production results and future goals, as well as with trade members on the situation in South Vietnam, Burma, and Cambodia.

As had been expected, I found that supplies are tight this year and will probably continue to be tight as long as South Vietnam continues to import rice. One problem is how long importing nations can maintain their heavy buying. Many of them are having foreign exchange problems, and, all are a little discouraged by higher world prices.

Japanese discuss import needs

In Japan, much of my time was spent reviewing the country's system of importing and distributing rice. However, I did talk with members of the wholesale and retail trade about the nation's future import requirements. Some of these sources believe that Japan will encounter difficulties in becoming self-sufficient in rice and from now on will have to import considerable quantities every year to satisfy domestic requirements.

Government officials commenting on this subject indicate that they are striving for self-sufficiency. By increasing yields some 5 percent, the Japanese Government hopes to up rice output to around 13.2 million tons by 1970 (rough basis). This, officials say, will be sufficient to meet domestic needs if per capita consumption falls as anticipated.

Koreans hoping to export

Government officials in South Korea are hopeful of exporting sizable quantities of rice annually for the next 5 years. This could be accomplished by increasing production and by encouraging domestic consumers to mix barley with their rice. It is possible that by 1970 Korea could be in a position to export rice without supplementing domestic supplies.

The country has been able to increase rice yields to about 85 percent of the high Japanese yields and plans further efforts in this direction. Use of fertilizer is to rise, and a larger share of the fertilizer is to be produced domestically. Two new plants are expected to begin full operation this year, and a third one will be completed in the near future.

The Koreans have made a great deal of progress in stabilizing rice and barley prices by stockpiling rice and putting it into the market during the short-supply period just prior to their annual harvest. This scheme has received a lot of attention and similar ones are now being tried in other Asian nations.

Also, with the help of personnel of the U.S. AID Mission, the Korean Ministry of Agriculture has set up sampling and survey procedures to obtain more accurate estimates of grain production and should have very reliable statistics available within a year. Heretofore, the procedures used appear to have resulted in underestimating and underreporting of all farm products, with rice yields, acreage, and production underreported considerably.

Changes in Philippine, Thai supplies

One of the first bills signed by Philippine President Ferdinand Marcos was Republic Act #4643, creating a Rice and Corn Administration. Right now, the country is in the midst of a crash program to increase rice production on 90,000 hectares through more intensive use of fertilizer and improved water management.

Government spokesmen feel that efforts such as these could bring a rice production increase of 500,000 tons per year, expanding total output to some 13 million tons by 1971. This, they say, would allow for an export of 1.5 million tons.

Other experts are more conservative, predicting that even with improved production practices, the Philippines could only reach self-sufficiency by 1971.

The government is currently stockpiling rice and plans to have enough available to stabilize prices at the end of the year just prior to harvest, when supplies are short. In the past, the government has had good experience with this system.

In Thailand, rapid growth in both population and consumer purchasing power is taxing available supplies of rice—currently the country's leading earner of foreign exchange. The announced export goal for 1966 is only 1.5 million tons compared with the country's usual export of around 1.8 million. This drop will allow rebuilding of Thailand's reduced stocks.

Over the next 3 or 4 years, Thailand should be able to match the growing domestic consumption of rice with expanded production, but beyond that the outlook is highly uncertain. Some people believe that Thailand has moved beyond the stage of dramatic production gains; yet it is faced with the possibility of having either to double rice output within the next 25 years or import, if population continues to expand at the current 3½ percent per annum and consumer spending, to increase.

Malaysia working for self-sufficiency

Malaysia is striving for self-sufficiency in rice by 1970. Though this goal appears rather ambitious, the country has been making considerable progress in increasing production. Its 1964-65 output was 18 percent above the 1958-59/1962-63 average, and now with the help of a loan from the World Bank, the Malaysians are building more irrigation facilities in the principal growing areas. Plans are to have 270,000 acres ready for two crops a

Fact Sheet on Asian Rice Trade

Asia produces around 90 percent of the world's rice, yet almost always needs more. Its trade in this product could be largely internal but is not—in part because of need by exporting nations of the Orient for foreign exchange and the importers' desire to obtain long-term credit.

These and other factors have led to the paradox of Asia's being the largest importer of U.S. rice and at the same time our largest competitor in the world market.

On the average, Asia accounts for two-thirds of the world's rice imports and takes around half of the U.S. rice exports. In this area is our biggest dollar market for rice, Japan, which in recent years has switched from near self-sufficiency in rice to importer of almost a million tons a year—some 100,000 of it from the United States. In this area, too are the large P.L. 480 importers of U.S. rice.

Also accounting for about two-thirds of the total world exports, Asia in most years boasts the first and second largest exporters—Thailand and Burma. A close third—and second in 1965—has been the United States.

Mainland China, with about a third of the world's production now and potential for an even larger output, is the important unknown in world trade. In 1959, it was world's largest exporter with some 1.7 million tons moving abroad, but in most years since has shipped no more than half a million tons.

year by the end of 1966.

The production increases of recent years are reflected in the drop in combined imports by Malaysia and Singapore. In the first 9 months of 1965 (latest period for which figures are available), imports of milled rice were 364,314 tons—down 20 percent from the 458,188 in the same period of 1964.

Malaysia depends heavily on Thailand for its rice imports, while Singapore imports about 8,000 metric tons of rice per month from Mainland China. Merchants in Singapore like U.S. long-grain rice, especially Blue Bonnet, but the landed price is usually too high, and the long, 45-day wait for transport from Gulf ports works against sales of U.S. rice in the times of shortage when it would normally be competitive.

Reports on Vietnam, Burma, Cambodia

While in Malaysia, I talked to several rice merchants about the situation in Vietnam, Cambodia, and Burma. The general feeling is that South Vietnam, in the past a rice exporter, will have to import rice again this year. Trade members also stated that Cambodia's rice exports will be below the 1965 level and that Burma's exports will probably drop some 250,000 tons to 1.1 million.

There has also been much speculating about Mainland China—an important unknown in world rice trade. Capitalizing on the high prices this year, Mainland China has been selling rice for about $162 a ton in world markets and then buying wheat for domestic use at about $70 a ton. One source believes that Chinese rice exports will total approximately a million tons in 1966.

Ceylon striving to reduce imports

Ceylon's rice production has dropped sharply in the last 3 years—from around 700,000 metric tons in 1962-63 to a low of 482,000 in 1964-65. The offsetting jump in imports—from 550,000 tons to 615,000—has caused a serious drain on Ceylon's foreign exchange reserves, in 1964-65 costing the government around $70 million.

For 1966, Ceylon already has contracts to import 400,000 tons of rice and is now negotiating with Thailand for an additional 100,000. Meanwhile the country is working to increase production through irrigation and use of better varieties and more fertilizer. It is making some progress, and the potential for expansion here is good. However, one official believes that production gains over the next few years will just about take care of expanded consumption needs—meaning continued yearly imports of about 500,000 tons.

Indian ration shops visited

My stay in Bombay was a short one, but I did have an opportunity to watch the unloading of U.S. wheat in the Port of Bombay and to visit two rice ration shops.

At the port, I boarded four ships and talked to the second mate on each. They were not concerned with any delays in berthing or the length of time they had to remain in port. The wheat appeared to be in good condition and was being moved from the area by rail and truck.

In one of the shops dispensing rice, lines were relatively short, and the manager indicated that morale among the people in Bombay was good. I also visited a wheat ration store, saw the people purchasing wheat and then taking it around the corner to one of the many little mills in Bombay, where it was milled for the purchaser.

Little change planned in Pakistan

At a meeting in Pakistan, I was told that rice production would be increased enough to meet expanded consumer requirements. There are no plans to export ordinary rice, but shipments of superior grades of Basmati, Begemi, and Permal will continue as usual. The greatest exportable supply will be in the Basmati variety, shipments of which are to reach 100,000 tons a year.

I had an opportunity to visit the government rice warehouses and rice-grading center in Lendhi, about 15 miles from Karachi. The go-downs (storage facilities) here had been financed from proceeds of Public Law 480 wheat and were modern and well built. The rice-grading equipment was of German origin, all new, and in some cases operating around the clock.

There was a large quantity of Basmati rice in storage here, some from the 1964 crop. It was in good condition, free from weevils because of adequate fumigation and was being prepared for export.

The Pakistan Government has contracts to ship 85,000 tons of Basmati rice to the USSR and 90,000 tons to Kuwait. With the rice in storage and collections from the late 1965 crop, Pakistan will have no difficulty in meeting these commitments.

Finland's Dairy Farming Keyed to Systematic Breeding

By MARTTI KORPELA
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Finland, whose northern location limits crop production and demands that animals be fed indoors 7 to 9 months of the year, has developed a dairy industry that permeates almost the entire farm economy. Finnish agriculture derives more than half its income from sales of milk, basis of an industry that produces high-quality butter and cheese for both domestic consumption and export.

Finland is a country of small-scale farming, with farms averaging about 22 acres. Most are owner operated and few have permanent hired labor. Consequently, herds are small, averaging 3 to 4 cows. However, raising dairy cattle is vital to providing year-round work for farmers and their families. Dairying is important even to grain producers, and only a few farms have no dairy cattle at all.

Cornerstone of dairy farming in Finland is systematic breeding of the country's two major types of dairy cattle, Finncattle, a native breed, and Finnish Ayrshire, introduced in 1850. Finncattle predominate in all but the southern and southwestern parts of the country and account for about 65 percent.

In breeding, special attention has been paid to production ability, for only cows with high output—and high yields from the first calving—can be profitable under Finnish conditions. The long indoor-feeding period makes cattle raising more expensive here than in most other countries. Nevertheless, prompted by the failure of imported breeds to adapt to Finnish conditions and influenced by Danish livestock breeders, the Finns undertook systematic breeding with particular emphasis on the good qualities their local cattle had developed over the centuries.

Breeding fails at first

Systematic breeding to improve Finncattle was begun in the mid-19th century. At first it was not particularly successful. Such secondary things as color, size, and horns were overemphasized at the expense of production capacity. But by the 1920's, production capacity was adopted as one of the most important criteria, and the way was cleared for further development.

Finncattle bear resemblance to both Jersey and Guernsey cattle. It is a middle-sized dairy breed with three color types: brown, piebald, and white. Live weight of cows varies between 840 and 1,060 pounds and of bulls 1,320 and 1,650 pounds. Depending upon differences in feeding, milk yield varies from 7,720 to 17,640 pounds per year. A high fat content, averaging 4.7 percent, is characteristic, and champions of the breed have achieved as much as 7 percent. Because of this high fat content, annual butterfat output of the best cows reaches as much as 660-880 pounds. Some Finncattle produce more than their own weight in butterfat in a year, and some have produced over 10 times their weight in a lifetime.

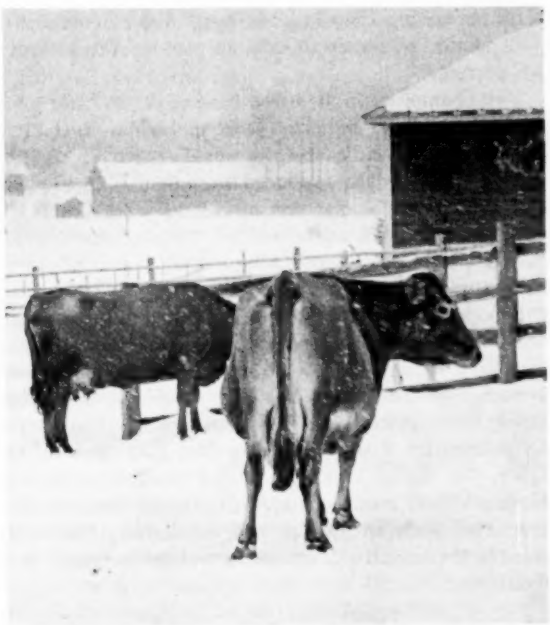
Even during the first lactation period, Finncattle produce more than 440 and even up to 660 pounds of butterfat. Also, they calve for the first time at an early age, which contributes to keeping production costs relatively low.

A special breeding value class among Finncattle is called the Marathon Class and includes cows of high lifetime output. Currently, the best Marathon cow boasts production of 206,960 pounds of milk, 10,230 pounds of butterfat, and a fat content of 4.9 percent.

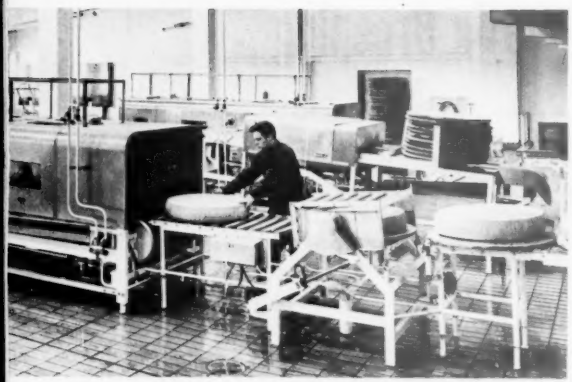
Because Finncattle at one time lived under poor conditions, they developed into a hardy breed. Average age is now 8.5 years, but many cows retain production ability up to an age of 15-17 years. The low incidence of contagious diseases among Finland's livestock contributes to both age and yield.

Finnish Ayrshires: production champions

The first Ayrshire cows were introduced into Finland almost 120 years ago, but intensive breeding work was



Top, herd of Finnish Ayrshires, a breed whose production level is among highest in the world; above, domestic Finncattle, developed into high-level producers through breeding.



Clockwise from above: cooperative dairy plant; cheese warehouse, largest in Scandinavia, near Helsinki;- mechanized cheese washer.

not begun until 1901 when the Finnish Ayrshire Society was formed. The result is a Finnish Ayrshire with many special characteristics.

Production ability has been the primary target in breeding Ayrshires from the very beginning. Thus, the production level today is among the highest in the world. In the 1964-65 testing year, average production of 23,189 herds containing 154,885 cows was 9,800 pounds of milk, 440 pounds of butterfat, and an average fat content of 4.5 percent.

Two champions in the breed have each produced almost 11,550 pounds of butterfat—second highest level among European dairy cattle and the world record for Ayrshire breeds. Each has also produced more than 242,500 pounds of milk. Twelve Finnish Ayrshires have yielded more than 224,060 pounds of milk, and 47 have achieved a total butterfat yield of at least 8,820 pounds.

Because of their characteristic good health, hardiness, and high production ability, Finnish dairy breeds are in demand in several European countries. Exports of Finnish Ayrshires began in 1933 and have since gone to Norway, Sweden, the Soviet Union, Czechoslovakia, and Israel, among other places. In 1965 exports of this breed totaled 1,904 head for a value of about $655,500. Sweden took 1,081, the Soviet Union 487, and Czechoslovakia 336. Finncattle have also been exported to some extent in recent years, primarily to Sweden and the Soviet Union. It is possible the annual export quotas will be increased in the future.

Dairy industry based on cooperatives

The modern dairy industry in Finland began to take shape in the late 19th century. Following the lead of Denmark, it was based on the cooperative system. A central organization of cooperatives, called Valio, was established in 1905 to develop the dairy industry as a whole and to improve the quality of butter. At the time, marketing of butter was dispersed, and exports encountered difficulties because quality was not uniform and too low to be competitive in foreign markets.

By the 1930's Valio covered the entire country and took over a major share of collecting, processing, distributing, and exporting dairy products. Today it is practically the only exporter of Finnish dairy products.

The Finnish dairy industry has strongly supported and encouraged extension work among farmers, arranged professional courses for farmers and processors, and financed large-scale scientific research. Since 1916, this research has taken place primarily at the Biochemical Institute financed by Valio. The Institute has long been headed by Professor A. I. Virtanen, a Nobel Prize winner.

During the past 10 years, Finland's dairy industry has been considerably strengthened. Because of strong competition, many small plants have merged, and from a peak of 697 running dairies in 1930, the number has been reduced to 285. The trend toward consolidation seems to be continuing as a result of several factors:

- Dairy equipment has improved, decreasing the need for human labor and lowering processing costs. This mechanization requires large production units with adequate supplies of raw material.
- Improved transportation facilities have helped reduce costs of milk and milk products remarkably.
- Processing methods, developed through intensive scientific research, favor large-scale production.
- Arrangements between cooperatives were made possible by new cooperative legislation in 1955.

Output exceeds consumption

Overproduction of milk has long been a central and difficult problem of Finnish farm policy. Although per capita consumption of dairy products is the highest in the world, milk output has for many years substantially exceeded domestic consumption. In 1965 output totaled 3,815,000 tons, 0.5 percent less than in the previous year. However, output in general has shown an increasing trend in recent

years, with an annual rise of about 2 percent. Production now exceeds consumption by about 25 percent. Milk not consumed in Finland is manufactured into butter, cheese, and milk powder for export.

The problem of marketing this surplus has been accentuated in recent years because of the restrictive import policy of the European Economic Community, traditional market for Finnish dairy products. Finland has been rather successful in increasing its exports to East European countries and the Soviet Union through bilateral trade agreements. However, foreign markets have been difficult to maintain, and exports of dairy surpluses have become a burden to the government as these products can be sold at world prices only with government subsidies.

The United Kingdom has been Finland's largest customer for butter and in recent years has granted Finland a quota of 18,000 metric tons. However, the quota for 1966-67 has been reduced to 15,370 tons. In 1965, butter exports totaled 19,700 metric tons, more than 90 percent of which went to the United Kingdom.

Finnish cheese has acquired a good reputation abroad. Emmenthal (Swiss-type) cheese has been most popular with foreign customers, and 11,573 tons at a value of $9.4 million were exported in 1964. About 1,000 tons went to the United States. In the same year, shipments of Edam cheese were 6,418 tons at a value of $3.2 million. Major customers were West Germany, Austria, the United Kingdom, the Soviet Union, and East Germany. Total cheese exports in 1965 dropped by about 10 percent, primarily because of reduced shipments to the European Economic Community.

In recent years, dry milk has become an important export item. Exports hit a new record of 21,080 tons last year. The major share went to the Soviet Union, but the United Kingdom, Romania, and West Germany also took significant amounts.

USSR To Purchase More Canadian Wheat

Canada, during the 3 crop years starting August 1, will ship the Soviet Union 9 million tons of wheat and flour, of which 3 million will move out of Canadian ports in crop year 1966-67.

The contract for these wheat shipments was signed in Moscow between the Canadian Wheat Board and the Soviet Grain Trading Agency (Exportkhleb), and was included in the announcement on June 20 that the Canada-USSR Trade Agreement had been extended for a further 3 years. This agreement, which expires April 17, 1969, is subject to renewal by mutual consent.

This is the largest single 3-year commercial contract for a fixed quantity of Canadian wheat and flour ever concluded. Since 1963, the USSR has purchased from Canada 478 million bushels, valued at about Can$1 billion. The new contract, worth approximately $800 million, will bring total Soviet purchases to about 814 million bushels. No intergovernmental credit arrangements are involved.

Country's economy to benefit

Canada's Minister of Trade and Commerce Robert Winters, who signed the agreement in Moscow with Soviet Minister of Foreign Trade N. S. Patolichev, stated:

"This further substantial Soviet purchase and assurance which it gives for marketing of wheat and flour in the USSR will provide important returns to farmers of western Canada. Wheat growers will be able to take these assured sales into account in planning production.

"The impact of this record sale will extend throughout Canada and will be felt not only by wheat farmers and millers but by grain handlers, longshoremen, elevator companies, railways, shipping companies, and the economy in general."

The Trade Agreement provides for continued exchange of most-favored-nation treatment between the two countries, and, according to Mr. Winter's statement, establishes a "trading framework that should provide increased opportunities for the further development of mutually advantageous trade."

The two governments have also agreed to facilitate visits for business purposes between Canada and the USSR.

Shift Expected in Argentina's Exports

Argentina in the current marketing year will be exporting less wheat but more corn and meat than in 1965. This downturn in wheat exports reflects the lower production in 1965-66, compared with the bumper previous crop. All of the wheat from the new crop is committed.

The government has announced substantially higher guaranteed prices for the 1966-67 crop, and the planted area probably will increase—although the steady rise in the general price level and in the costs of production tends to offset this incentive.

Large supplies of corn for export will be available this year. A postwar record 7.2-million-ton production is indicated, of which some 4 million to 4.5 million would be exportable. Exports in 1965 were 2.8 million.

Argentina has been successful in building up its cattle numbers following the sharp downturn of 1962-63 caused by drought. Beef exports in 1966 are expected to increase, although the Argentine consumer competes strongly with the export market for the available supply.

Good year for oilseeds

This year's outlook for oilseeds is fairly promising. Tung nut production will set a new record. Production of both sunflowerseed and peanuts will be the highest in 5 years. The flaxseed crop, on the other hand, will be down sharply as will that of cottonseed.

In the long-range picture, tung nuts and peanuts continue to show good possibilities for expanded production, though price support levels and policy decisions will largely determine whether these or other oilseeds will receive the production emphasis.

A recent development with an impact on Argentina's agricultural production—and perhaps on its foreign trade to a limited extent—was the series of heavy rains and floods in the northeast provinces, from January into March. The affected region is the main producing area for cotton and tobacco, and production of both of these crops will be sharply reduced. Cotton supplies for domestic consumption will be adequate because of a large carryover, but the export potential will be reduced. The possible effect on tobacco import requirements is not yet clear.

Prices of Vegetable Oils in India Reach Alltime High

By JAWHAR A. THADANI
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Prices of vegetable oils in India have risen almost uninterruptedly since January 1964; but with sharp increases after last November, they reached new records during this past May. The price of peanut oil in Bombay on May 13 was an alltime high of 4,750 rupees per metric ton (45.1 U.S. cents per lb. at the official exchange rate), compared with 2,450 rupees per ton on the same date a year ago.[1]

The all-India index of wholesale prices for edible oils (with 1952-53 as a base), which had already risen to 188.3 for 1964 and to 221.2 for 1965, continued upward in 1966. It reached 273.0 for April 1966, and the May figure was expected to be still higher.

Why the prices are rising

It is not surprising that prices of vegetable oils have shot up so fast. The situation is primarily the result of the setback suffered by the oilseed crops this season, 1965-66, because of last summer's light monsoon that ended in a failure of rains last September in nearly all of the producing areas. Other important contributing factors are the present shortage of food grains in India, rising incomes, improved consumption standards among a large proportion of the people, restrictions imposed by the government on trading in several commodities—diverting trading to the commodities still open—and the steady growth of a million a month in population.

There is no denying that the production of oilseeds has remained woefully stagnant in the face of a very keen demand, throwing the demand and supply situation for oils completely out of equilibrium. The principal sources of vegetable oils in India are peanuts, sesameseed, rapeseed and mustardseed, flaxseed, castorseed, coconut, and cottonseed. Total production of these oilseeds in India during 1965-66 is estimated at 9.1 million metric tons, or about 20 percent less than the 11.4 million tons produced in 1964-65. Production of peanuts, by far the largest source of supply of vegetable oils in India, is estimated to be down from 6.2 million tons in 1964-65 to 4.5 million tons in 1965-66.

Oilseed yields, oil supplies low

While the acreage planted to oilseed crops in India has increased every year, the yield per acre has remained very low. India occupies first place in the world for acreage under peanuts, sesame, rape and mustard, and cotton, but in yield ranks only tenth for peanuts, sixth for sesameseed, and seventh for rapeseed and mustardseed, while except for East Africa it has the lowest cottonseed yields of any major producing area.

India's 1965-66 production of edible fats and oils, including butter and ghee (clarified butter), is at present estimated at 2.4 million metric tons, compared with 2.8 million in 1964-65 and 2.5 million in 1963-64. Per capita availability of edible oils for 1965-66 (considering imports and exports) is only 10.5 pounds annually or about one-half of an ounce per day.

The production of inedible oils also is very low this

INDIA: WHOLESALE PRICES OF EDIBLE OILS, OILSEEDS, AND OILCAKES
[1952-53 = 100]

Period	Edible oils	Oilseeds	Oilcakes
Annual average:			
1961	158.2	157.8	146.3
1962	154.7	154.0	158.8
1963	148.6	150.3	164.0
1964	188.3	188.6	188.0
1965	221.2	229.8	230.0
Monthly average, 1966:			
January	253.9	251.6	242.7
February	249.1	247.7	236.7
March	258.0	258.3	238.0
April	273.0	(1)	(1)

[1] Not available yet.
India, Economic Adviser, Ministry of Industry.

INDIA: SUPPLY AND DISTRIBUTION OF VEGETABLE OILS AND FATS, MARKETING YEARS 1963-65[1]

Item	1963	1964	1965
EDIBLE	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Peanut oil:			
Production:			
Expeller	1,162	1,392	1,014
Solvent	70	75	60
Imports	—	1	—
Exports	[2]76	[3]1	[3]1
Net supply	1,156	1,467	1,073
Sesame oil: Production	135	143	116
Rape & mustard oil: Production	272	414	362
Coconut oil: Production	206	193	195
Cottonseed oil:			
Production	55	70	98
Imports	—	3	5
Net supply	55	73	103
Soybean oil: Imports	—	58	—
Butter: Production	94	88	90
Ghee: Production	485	435	430
Total, edible oils	2,403	2,871	2,369
Per capita[4], pounds	11.2	13.0	10.5
INEDIBLE			
Linseed oil:			
Production	110	135	101
Exports	1	—	—
Net supply	109	135	101
Castor oil:			
Production	35	35	33
Exports	24	12	10
Net supply	11	23	23
Palm oil: Imports	36	7	10
Total, inedible oils	156	165	134
Per capita[4], pounds	.73	.75	.59

[1] For peanuts, sesame, and cottonseed, begins Oct. 1; for coconuts, begins the following Jan. 1; for rape and mustard, flaxseed, and castorseed, begins the following Feb. 1.
[2] Includes exports of about 3,000 metric tons of vanaspati (hydrogenated vegetable oil).
[3] Mostly vanaspati.
[4] Based on 472.8 million population for 1963, 487.0 million for 1964, and 499.3 million for 1965.
Note: Production figures for 1963 for most oils are based on partially revised Indian Government estimates for oilseed crops. 1964 figures also are based on government estimates, liable for revision when estimates for 1965 are issued by the government. 1965 figures are preliminary estimates, FAS Bombay. Imports and exports, *Monthly Statistics of the Foreign Trade* of India, compiled on the respective marketing year basis. Figures less than 500 metric tons have been omitted.

[1] Editor's note: Effective June 6, 1966, the rate was changed, from 4.76 rupees per US$1.00 to 7.5.

INDIA: ACREAGE, PRODUCTION, AND YIELD OF OILSEEDS

Season[1]	Peanuts (in shell)	Sesame-seed	Rape & mustard	Flax-seed	Castor-seed	Coco-nuts[2]	Cotton-seed[3]	Total
	1,000	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*
Acreage:	*acres*	*acres*	*acres*	*acres*	*acres*	*acres*	*acre*	*acres*
1963	16,825	5,919	7,469	4,958	1,180	1,974	20,163	45,488
1964	17,476	6,185	6,953	4,969	1,111	1,970	20,149	58,813
1965[4]	17,500	6,250	7,400	4,800	1,100	1,980	20,200	59,230
	1,000	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*	*1,000*
	metric	*metric*	*metric*	*metric*	*metric*	*metric*	*metric*	*metric*
Production:	*tons*	*tons*	*tons*	*tons*	*tons*	*tons*	*tons*	*tons*
1963	5,215	439	903	379	102	699	2,276	10,013
1964	6,176	466	1,375	466	101	710	2,100	11,394
1965[4]	4,500	377	1,200	350	95	720	1,900	9,142
	Lb. per	*Lb. per*	*Lb. per*	*Lb. per*	*Lb. per*	*Lb. per*	*Lb. per*	*Lb. per*
Yield:	*acre*	*acre*	*acre*	*acre*	*acre*	*acre*	*acre*	*acre*
1963	683	164	267	169	191	781	249	—
1964	779	166	436	207	200	795	230	—
1965[4]	567	133	358	161	190	802	207	—

[1] For peanuts, sesame, and cottonseed, begins Oct. 1 of the year named; for coconuts, begins following Jan. 1; and for rape and mustardseed, flaxseed, and castorseed, begins following Feb. 1.
[2] Production in terms of copra. Trade estimates.
[3] Acreage figures from Government of India; production figures based upon trade estimates of cotton.
[4] Preliminary estimate, FAS Bombay.

year; it is estimated at 134,000 metric tons, compared with 170,000 in 1964-65 and 145,000 in 1963-64.

Since January 1964, the Indian Government has imposed various restrictive measures on oilseeds and oils in the hope of controlling prices. Futures trading in 14 agricultural commodities, including peanut oil, peanuts, peanut cake, and certain other oilseeds and cakes, was banned effective June 1, 1964. Some minor changes have been made in trading during the last 2 years, and except for linseed, castorseed, cottonseed, and coconut oil, futures trading for the rest of the vegetable oilseeds, oils, and oilcakes is at present banned.

The export of all edible oils was banned by the government effective July 11, 1964, except for some small parcels to neighboring countries which are traditional importers of Indian edible oils. Movement of certain seeds and oils from one State into another and within some States is also regulated by the government. Restrictions also have been imposed on loans advanced by the banks against stocks of seeds and oils, and mills have been restricted from time to time in their purchasing. These measures have had a temporary effect on prices, but the situation has been difficult to control in the absence of adequate supplies.

The Food and Agriculture Minister, C. Subramanium, hinted in the Indian Parliament on May 17, 1966, that the prices of edible oils in India may be controlled. This, however, he said, "cannot be done in the midst of the season, particularly when there is a scarcity of oilseeds." It is reported also that the ban in effect since July 1964 on exports of peanuts and peanut oil to other States from Gujarāt State, the largest producer of peanuts in India, is likely to be somewhat relaxed. This ban on interstate movement apparently was imposed originally to assure supplies at reasonable prices to oil mills and consumers in the State and also perhaps as a bargaining measure because of bans on shipment of food grains from other States into Gujarāt. It tended to hold down peanut oil prices in the State but to increase them greatly elsewhere.

These developments, as well as the prospective importation of P.L. 480 soybean oil in the not too distant future, have had a sobering effect on prices in Bombay. On May 23, peanut oil was quoted at 4,660 rupees per metric ton. In contrast, however, the price for peanut oil in Rajkot (Gujarāt) on the same date was 2,510 rupees per metric ton. By and large, not much relief in prices appeared to be in sight until after the break of the summer monsoon. When prospects for the new oilseed crops become more apparent, the supply situation for oils can be reassessed; meanwhile, the scramble for vegetable oils in India is expected to continue.

Deadline Near for Food Show Applications

U.S. food companies wishing to participate in the final three overseas food exhibits in USDA's 1966 program must return their signed agreements by this Friday, July 15.

Exhibits are the International Fall Fair in Vienna, Austria, September 11-18; the International Exhibition of Groceries and Fine Foods (IKOFA) in Munich, West Germany, September 17-25; and the International Food Fair (SIAL) in Paris, France, November 13-21.

Through these shows, U.S. food and agricultural products will reach tradesmen and the public in some leading cash markets. West Germany year after year ranks among the top half dozen commercial customers for U.S. farm products in both bulk and processed form, and its Munich food fair is one of the world's largest. France is likewise a major market, and Austria's buying power is growing.

As in previous food shows, Grocery Manufacturers of America will cooperate with USDA, providing a food industry adviser and a professional food demonstrator.

All three fairs will feature food displays and demonstrations aimed at the public, as well as "trade only" areas limited to trade representatives. In these areas, U.S. processors and distributors or their overseas agents will receive exhibit space without charge, with companies furnishing their own commodities, booth decorations, and personal representatives.

Similar exhibits in Western Europe last spring brought substantial new export business to participating firms, according to preliminary reports. At Utrecht, the Netherlands, a "trade only" exhibit netted actual orders worth about $600,000 and anticipated future business of at least $2.5 million. May's exhibit in Manchester, England, produced new accounts and orders for most U.K. agents of the 60 American firms represented.

What our competitors are doing

Market Promotion Helping To Boost Australian Export Sales of Cheese, Butter, Other Products

Giving a brand name to butter sold in the United Kingdom, holding seminars for Japanese homemakers on the use of cheese, and displaying a variety of foods in Asian supermarkets—these are a few of the market development activities that have helped make promotion-minded Australians more competitive in agricultural trade. (See *Foreign Agriculture*, April 18, 1966.)

A large portion of this promotional work has been in dairy products—generally third largest export behind wool and wheat—especially in the big markets of Great Britain and Japan.

Butter promotion pays off

In the United Kingdom, which buys over 80 percent of Australia's butter, market development by the Australian Dairy Board and the Department of Trade and Industry has turned a former "incognito" Australian butter into a sought-after brand-name item. The campaign, launched in late 1963, included extensive media advertising and in-store promotion of the butter under the "Kangaroo" label. Response was good and today "Kangaroo" is the fourth largest seller among brand-name butters in the United Kingdom. In addition, "Kangaroo" convenience packs—small 10-gram portions wrapped in foil and packed 500 to a case—were introduced in 1964 and by 1965 had become second largest seller among their group.

Cheese big in Japan

Since the opening of its second overseas office in Tokyo, the Australian Dairy Produce Board has been actively promoting its dairy products in Japan.

Australian cheese—today the largest volume mover among cheese imports into Japan—has received especially heavy promotion. Among the campaigns: Demonstrations on the use of cheese at the 1965 International Trade Fair in Tokyo, numerous interviews, meetings, and demonstrations and heavy media advertising of cheese during Miss Australia's tour of Japan in May 1965. One feature of the latter promotion was a meeting with Japanese Housewives Associations in Osaka, Kyoto, and Kobe, at which Miss Australia was the guest of honor and use of cheese was discussed.

Another type of market development activity that has become a big seller of Australian agricultural products is supermarket promotion. Especially successful have been those carried on in Asian cities—some of them, Hong Kong, Kuala Lumpur, Kuching, Singapore, and Tokyo.

A Singapore supermarket after a recent fortnight of promoting Australian food and wines, recorded sales increases ranging from 20 percent for canned fruits to 60 percent for biscuits. Some features of this promotion were participation by 29 Australian food suppliers; special displays, including nine with tasting bars; and extensive publicity coverage, including a "mailer campaign," and press, radio, and television advertising.

An official of a Kuala Lumpur supermarket, after a fortnight's promotion of Australian food and wines, reported "Wine sales were fantastic"; lemon spread and peanut butter were big movers in a Japanese department store; and one retailer in Malta reported a 300-percent jump in Australian canned fruit sales following a promotion involving more than 50 outlets.

—WILLIAM L. RODMAN
U.S. Agricultural Attaché, Canberra

West German Trade Team Tours U.S. Wheat Areas

Undersecretary of Agriculture John A. Schnittker (third from right) met with (l. to r.) Paul Hess, assistant at U.S. Embassy, Bonn, and German industry representatives Erwin Jaus, Richard Petri, Franz Beck, and Werner Fishbach.

A wheat trade mission from West Germany—whose imports of quality U.S. wheat are moving upward—was in the United States recently to inspect producing areas in the Midwest, as well as country and terminal elevators, mills, bakeries, grain exchanges, and transportation facilities.

Made up of four industry representatives and an agricultural specialist at the U.S. Embassy in Bonn, the team also discussed mutual problems with wheat producers, members of the grain trade, and government officials.

West Germany depends upon high-quality imported wheat to improve the baking characteristics of domestic soft wheats. Major suppliers of high-protein types are Canada, the United States, and Argentina.

With the 1965 domestic crop 850,000 metric tons below 1964 output, Germany's import requirements for 1965-66 are estimated at 2 million metric tons, considerably higher than in recent years. This includes feed wheat and replacements for wheat and wheat flour exports.

Germany's imports of U.S. wheat went from 200,900 metric tons in fiscal 1965 to 272,500 tons in just the first half of fiscal 1966. For all of fiscal 1966 they are expected to total 470,000 tons.

Canada Expects To Fill Wheat Contracts

The Canadian Wheat Board appears hopeful that nearly all 1965-66 wheat contracts, totaling 600 million bushels, will be filled before the crop year expires July 31. A record movement of grain is expected from now until the contracts are filled, because longshoremen at Montreal, Quebec, and Three Rivers—on strike since May 9—returned to their jobs June 16.

According to Canadian officials, about 37 million bushels of wheat had been delayed by the strike. Elevators are well stocked with grain, a large number of grain vessels are waiting to dock, and longshoremen are willing to work overtime to make up for money lost during the strike. To help get the wheat out, the National Harbors Board has placed priority on wheat shipments.

The table below—listing Canadian wheat exports in recent months—shows the effects of the strike in major shipping areas.

World Corn Crop a Record in 1965

World corn production in 1965 is estimated at a record 8.2 billion bushels. This total is 5 percent above the 1964 crop and 2 percent above the previous record in 1963.

The U.S. record production of 4,171 million bushels, 2 percent above the 1963 record, comprised 51 percent of the world total.

The South African crop was up 7 percent and the Argentine crop 40 percent from their respective levels of 1964. The Brazilian crop was down about 12 percent.

A detailed table and analysis are published in the June issue of *World Agricultural Production and Trade: Statistical Report.*

Australian Canned Fruit Pack Estimate

The 1966 Australian canned deciduous fruit pack is now estimated at 9,832,000 cases, compared with 8,476,000 in 1965. Peaches, pears, and mixed fruit all showed gains over the previous year and all three are record size. The peach pack has been figured at 4,565,000 cases—up 235,000 from 1965. Pears increased by 929,000 cases over the short 1965 crop, and are estimated at 3,384,000 cases. The 1966 mixed fruit pack has been set at 1,220,000 cases, 327,000 above the previous year. Apricots, although estimated to have dropped from 798,000 in 1965 to 663,000 cases in 1966, are still above the 1959-63 average of 625,000.

Italy Expects Large Filbert Crop

Italy's 1966 commercial filbert crop is forecast at 65,000 short tons, in-shell basis—hardly changed from the 64,000 tons produced in 1965 but 40 percent above the 46,400-ton average harvest. However, because of a smaller carry-in, the supplies available for export are expected to be slightly smaller than those during the current season.

As usual, imports will be negligible. Carryover stocks of the 1965 filbert crop are expected to total only 4,000 tons against the rather large stocks (10,000 tons in-shell) carried in from the filbert crop a year earlier.

Exports during the current season (ending Aug. 31) have been much higher than expected, and it now appears they may reach 46,000 tons, in-shell basis. This figure, nearly double the 24,800 tons shipped in 1964-65, is a record level for Italian filbert exports.

ITALY'S COMMERCIAL FILBERT SUPPLY AND DISTRIBUTION

[In-shell basis]

Item	1963-64	1964-65	1965-66[1]	1966-67[2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	5.0	17.0	10.0	4.0
Production	61.0	33.0	64.0	65.0
Imports	.9	1.2	—	—
Total supply	66.9	51.2	74.0	69.0
Exports	29.6	24.8	46.0	44.0
Domestic disappearance	20.3	16.4	24.0	21.0
Ending stocks (Aug. 31)	17.0	10.0	4.0	4.0
Total distribution	66.9	51.2	74.0	69.0

[1] Preliminary. [2] Forecast.

Peru's Cotton Harvest Lower

The 1965-66 cotton crop in Peru is placed at 550,000 bales (480 lb. net), down 100,000 from a year earlier. Production was lower for both Tanguis and the long staple varieties. Smaller acreage in Tanguis, linked with the early-season drought, accounts for the 12-percent decline in production to an estimated 370,000 bales. The long staple crop (Pima, Karnak, Del Cerro, and Aspero), which was harvested last fall, is estimated at 180,000 bales, compared with 220,000 a year earlier. The decline was the result of early-season flooding throughout the Pima areas. There are indications that the 1966-67 long staple outturn may be around 200,000 bales.

Exports of cotton from Peru in the August-February period of the current season amounted to 319,000 bales, 24 percent above the 257,000 bales shipped in the same 1964-65 period. Exports to principal destinations in the August-February period of the current season, in thousands of bales, with comparable 1964-65 figures in parentheses, were: Chile 38 (24), Argentina 35 (38), Belgium 33 (15), the United Kingdom 30 (24), West Germany 29 (33), France 20 (11), Italy 20 (7), Japan 19 (22), Venezuela 18 (11), the Netherlands 16 (21), Switzerland 15 (11), United States 15 (0), and others 31 (40). Total exports this season are likely to exceed 500,000 bales, compared with 468,000 bales in 1964-65.

Turkish Cotton Crop Revised Upward

Turkey's 1965-66 (August-July) cotton crop is placed at 1.5 million bales, about the same as a year earlier. This figure, 50,000 bales above earlier estimates, is the result of a larger crop in the Aegean region than had been anticipated. Reportedly, however, the quality of the Aegean crop suffered because of excessive rains. Total area devoted to cotton in 1965-66 was 1,690,000 acres, slightly above the 1964-65 area.

Planting of the 1966-67 crop was completed under exceptionally favorable weather conditions. In the Cukurova, the largest cotton-producing region, officials estimate that the 1966-67 planted area is nearly 20 percent greater than a year earlier.

Exports of cotton from Turkey during the first 9 months (August-April) of the current season totaled 858,000 bales (480 lb. net), 28 percent above shipments in the same 1964-65 period. Exports to principal destinations in the August-April period, in thousands of bales, with comparable 1964-65 figures in parentheses, were: The United Kingdom 158 (144), Italy 97 (68), West Germany 90 (75), Belgium 77 (71), Switzerland 62 (37), France 53 (45), Lebanon 47 (22), Portugal 46 (96), Spain 35 (13), Hungary 26 (10), Greece 25 (21), Taiwan 25 (3), Poland 22 (10), Czechoslovakia 16 (7), Yugoslavia 13 (10), East Germany 11 (1), Bulgaria 10 (4), the Netherlands 9 (2), USSR 7 (0), and others 29 (31). Total exports for the 1965-66 season are forecast at a record 950,000 bales, compared with 773,000 in 1964-65.

C.i.f. offering prices in Liverpool for Izmir Standard I SM 1-1/16 inches new-crop cotton for October delivery have eased in recent weeks. This description was offered at around 28.12 U.S. cents per pound in May, compared with 27.40 cents for comparable U.S. growths. In early April, cottons from the old crop were offered at rates from 1½ to 2 cents higher than recent quotations.

Costa Rica's Honey Exports Lower

Honey exports from Costa Rica in 1965 were lower for the second straight year. They amounted to 448,766 pounds in 1965, compared with 634,462 in 1964 and 1,051,208 in 1963. All exports last year went to West Germany and the Netherlands, the former accounting for 325,328 pounds.

Philippine Desiccated Coconut Exports Up

Registered exports of desiccated coconut from the Philippine Republic in May 1966, at 7,144 short tons, were 46 percent above the May 1965 tonnage. Exports in January-May totaled 24,805 tons against 22,531 in the comparable period last year. Exports to the United States in May were slightly above a year earlier, accounting for 79 percent of total exports, compared with 76 percent in May of 1965.

Philippine Exports of Copra, Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic during January-May, 1966, oil equivalent basis, totaled 345,234 long tons, 40 percent above exports in the first 5 months of 1965.

Copra exports in May were 79,405 tons, and the January-May cumulative total was 362,780 tons, 48 percent above the comparable exports a year earlier.

Coconut oil exports in May were 20,061 tons; January-May exports totaled 113,055 tons, 27 percent more than in the previous year.

The copra export price in mid-June was US$157.50 per short ton c.i.f. Pacific Coast and US$183.50-US$185.00 per long c.i.f. Europe. In sharp contrast, copra prices in mid-June 1965 were U.S.$231 per short ton c.i.f. Pacific Coast and U.S.$261 c.i.f. European ports.

PHILIPPINE EXPORTS OF COPRA AND COCONUT OIL

Country and continent of destination	1965[1]	January-May 1965[1]	January-May 1966[1]
	Long tons	*Long tons*	*Long tons*
Copra:			
United States	253,939	109,217	119,201
Europe	538,649	120,663	213,754
South America	23,044	5,000	8,800
Japan	41,100	8,250	20,500
Other Asia	500	500	—
Middle East	1,500	1,500	525
Total	858,732	245,130	362,780
Coconut oil:			
United States	181,429	79,330	91,421
Europe	48,487	10,025	21,132
South Africa	409	—	502
Japan	—	—	—
Total	230,325	89,355	113,055

[1]Preliminary.
Associated Steamship Lines, Inc., Manila.

Nigerian Kernel Purchases Up Sharply

The Regional Marketing Boards of the Federation of Nigeria purchased 140,049 long tons of palm kernels for crushing and export from January 1 through April 28, 1966. This is 15 percent above the 122,114 tons purchased in the comparable period of 1965. Palm oil purchases during the same period were 69,288 tons, compared with 70,595 tons last year. Quantities purchased during all of 1965 totaled 443,065 tons of palm kernels and 161,821 tons of palm oil. According to preliminary figures, exports during 1965 were 415,502 tons of kernels, 150,005 tons of palm oil, and 949 tons of palm kernel oil.

The Nigerian Marketing Boards, through their sales agent, the Nigerian Produce Marketing Company, Ltd., have complete control over exports of palm products.

Peru Closes Fishing Season

The Peruvian fishing season for anchoveta, which officially opened on October 1, 1965, closed on May 31. It is estimated that the catch may have amounted to 7.6-8.0 million metric tons from which 1.2-1.3 million tons of meal will have been extracted.

Fishmeal stocks as of June 5, 1966, were estimated at 450,000 tons, about two-thirds of which were then unsold. It is believed that these stocks will satisfy demand through September when next season's production will start moving into export.

Serious problems of unemployment for fishermen and plant workers during the June-August period are being studied. The Peruvian Government hopes to solve these problems by means of an agreement whereby workers would receive a combination of vacation pay and partial salary advance on next season's wages.

Japan's Tobacco Imports Lower in 1965

Japan's 1965 imports of unmanufactured tobacco (mostly flue-cured) were 53.6 million pounds, compared with 66.3 million in 1964. A seamen's strike in Japan in late 1965 accounted for part, and possibly all, of the decrease.

The United States supplied 27.5 million pounds last year. This was a little over one-half the total. In 1964, purchases from the United States were 33.1 million pounds, also one-half the total.

Other principal suppliers to the Japanese market last

year included Rhodesia 14.1 million pounds, Greece 6.5 million, and Thailand 3.0 million.

JAPAN'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1963	1964	1965		Average price of flue-cured
			Total	Flue-cured	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*U.S. cents per pound*
United States	21,532	33,095	27,507	27,469	96
Rhodesia	1,667	11,572	14,116	14,116	64
Greece	3,698	3,591	6,526	—	—
Thailand	661	6,431	2,996	2,996	62
India	3,366	7,915	1,704	1,704	50
Turkey	1,664	2,101	331	—	—
Canada	—	1,470	—	—	—
Others	—	165	441	—	—
Total	32,588	66,340	53,621	46,285	83

Japan Monopoly Corporation.

Belgium's Tobacco Imports Set Record

Belgium's imports of unmanufactured tobacco set a new high in 1965—73.5 million pounds, compared with 68.6 million in 1964.

The United States supplied 19.6 million pounds in 1965, or 26.7 percent of the total, compared with 17.1 million, and 24.9 percent of the total, in 1964.

Other major suppliers to the Belgian market in 1965 included Rhodesia-Zambia-Malawi, Brazil, the Dominican Republic, Paraguay, and India.

BELGIUM'S TOBACCO IMPORTS

Origin	1963	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	15,989	17,071	19,631
Netherlands[1]	4,908	6,750	8,851
Rhodesia-Zambia-Malawi	6,280	6,092	5,965
Brazil	4,822	5,036	4,582
India	4,207	4,481	4,448
Dominican Republic	3,871	4,112	4,150
Paraguay	3,017	4,133	3,914
Indonesia	2,571	3,144	2,908
Greece	2,905	3,150	2,734
Turkey	2,910	2,822	2,129
Philippines	1,501	1,936	1,679
Bulgaria	876	980	976
Argentina	958	1,128	(2)
Others	9,058	7,814	11,522
Total	63,873	68,649	73,489

[1] Re-exports. [2] If any, included in others.

Poland's Cigarette Output Up

Poland's cigarette output continued upward through 1965. Production last year set a new high of 60,465 million pieces—13.5 percent larger than the 53,294 million produced in 1964.

Cigarette sales during 1965 totaled 53,100 million pieces, compared with 50,200 million in 1964 and 51,500 million in 1963.

Italy's Leaf Tobacco Trade Down

Italy's trade in leaf tobacco last year was down significantly from the previous year. Imports during 1965 totaled 22.6 million pounds, compared with 49.7 million in 1964, 62.9 million in 1963, and the 1962 high of 74.8 million.

Exports of leaf tobacco last year likewise dropped, to 8.5 million pounds from 11.8 million in 1964. Exports had amounted to 24.6 million pounds in 1963 and in 1962 a record 41.6 million.

ITALY'S LEAF TOBACCO TRADE

Country of origin or destination	Imports		Exports	
	1964	1965	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United States	7,522	5,258	234	—
Greece	7,939	3,931	—	—
Brazil	4,892	2,822	—	—
Indonesia	3,102	2,028	—	—
Rhodesia	5,800	556	—	—
Philippines	7,522	1,810	—	—
Germany, West	—	—	8,622	6,038
Switzerland	—	—	1,056	1,384
Netherlands	—	—	840	494
Others	12,908	6,159	558	592
Total	49,685	22,564	11,310	8,508

India Ships Less Flue-Cured

India's exports of flue-cured tobacco in 1965, at 114.6 million pounds, were 16 percent below the record export of 135.9 million in 1964. Smaller exports to the Soviet Union, Japan, Yugoslavia, and Hungary more than offset increased shipments to Egypt and Poland. The average price for flue-cured exports last year was equivalent to 35 U.S. cents per pound.

INDIA'S FLUE-CURED TOBACCO EXPORTS

Destination	1963	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Soviet Union	33,931	70,937	57,373
United Kingdom	37,392	33,376	33,204
Germany, East	4,153	3,776	3,757
Egypt	414	282	3,477
Belgium	3,133	2,531	2,334
Malaysia[1]	3,390	1,940	2,085
Netherlands	2,851	2,155	1,959
Japan	3,386	7,819	1,844
Poland	2,612	—	1,102
Czechoslovakia	612	954	664
Hong Kong	1,414	770	616
Yugoslavia	13,589	4,719	0
Hungary	1,239	2,307	390
Others	6,411	4,366	5,757
Total	114,527	135,932	114,562

[1] Includes Singapore.
Tobacco Intelligence, London

WORLD CROPS AND MARKETS INDEX

Cotton

13 Peru's Cotton Harvest Lower
13 Turkish Cotton Crop Revised Upward

Fats, Oilseeds, and Oils

14 Philippine Desiccated Coconut Exports Up
14 Philippine Exports of Copra, Coconut Oil
14 Nigerian Kernel Purchases Up Sharply
14 Peru Closes Fishing Season

Fruits, Vegetables, and Nuts

13 Australian Canned Fruit Pack Estimate
13 Italy Expects Large Filbert Crop

Grains, Feeds, Pulses, and Seeds

13 Canada Expects To Fill Wheat Contracts
13 World Corn Crop a Record in 1965

Sugar, Fibers, and Tropical Products

14 Costa Rica's Honey Exports Lower

Tobacco

14 Japan's Tobacco Imports Lower in 1965
15 Belgium's Tobacco Imports Set Record
15 Poland's Cigarette Output Up
15 Italy's Leaf Tobacco Trade Down
15 India Ships Less Flue-Cured

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Highlights of the Agriculture and Trade of Greece

Resources.—Greece covers an area of 51,200 square miles, slightly smaller than North Carolina. Arable land (including orchards and vineyards) covers 28 percent of total area, forest 19 percent, and grazing land 35 percent. Greece has a population of 8.5 million, of which 5.5 million or almost two-thirds are in the labor force. In 1965, gross national product (GNP) was about $5 billion or almost $600 per capita.

Agriculture.—The index of net food production for 1965 is estimated at 5 points above the 166 realized in 1964 (1952-54 = 100). Gross agricultural product (GAP) accounts for a little more than one-fourth of the GNP. Nearly one-half of the total labor force is employed in agriculture. Grains occupy approximately half of the 9.1 million acres under cultivation; pulses, tobacco, and cotton over one-fourth; vineyards and orchards about one-fifth; and vegetables only 3 percent. Animal husbandry accounts for a rather small part of agricultural output, but significant progress has been made in recent years.

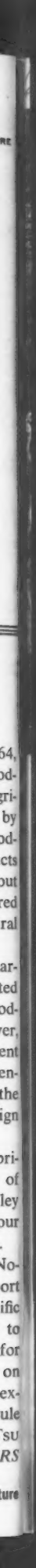
Food Situation.—Caloric intake in Greece averages about 2,950 daily per capita, a level significantly higher than that prior to World War II. Also, the quality of the diet has improved in recent years, although the diet in Greece still ranks among the lowest in Western Europe. Consumption of meat, poultry, and eggs has increased substantially in recent years.

Foreign Trade.—In 1964, total imports (c.i.f.) amounted to $885 million and exports (f.o.b.) $309 million. Imports of agricultural products, at $147 million, were one-sixth of total imports; while exports of agricultural products were valued at $248 million, four-fifths of total exports. Major agricultural imports were meat and meat preparations, natural fibers, and dairy products and eggs. Agricultural exports of importance included unmanufactured tobacco (nearly half of total agricultural exports), fruits and vegetables, and natural fibers.

Agricultural Trade With the United States.—In 1964, Greece imported $26.5 million worth of agricultural products from the United States, almost one-fifth of total agricultural imports. Important agricultural imports by Greece from the United States included grains, dairy products, and oilseeds. Greece exported agricultural products valued at $40 million in 1964 to the United States, about one-sixth of total agricultural exports. Unmanufactured tobacco and fruits and vegetables were major agricultural exports from Greece to the United States.

Factors Affecting Agricultural Trade.—Protective tariffs are applied to most agricultural commodities imported by Greece, but in general, imports of agricultural products are not subject to quantitative restrictions. However, each import transaction must go through a government agency in order to secure an import license, which generally is issued automatically. This procedure permits the government to maintain a running account of its foreign exchange position.

Imports of feed grains by Greece have been made primarily under P.L. 480 programs. Commercial imports of feed grain have been confined to small amounts of barley for brewing. Limited quantities of special types of flour constitute commercial imports of wheat or wheat flour.

Greece, an associate member of the EEC since November 1962, has taken steps to harmonize its support programs with those adopted by the EEC for specific commodities. Greece has also expressed the desire to adopt the Common Agricultural Policy of the EEC for certain commodities. Greece enjoys preferential rates on a number of commodities (tobacco, oranges, grapes) exported to EEC, but it is not subject to the EEC schedule for tariff reductions.

—SHELDON TSU
Foreign Regional Analysis Division, ERS